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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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	:	
In re	:	Chapter 11 Case No.
	:	
LEHMAN BROTHERS HOLDINGS INC., <i>et al.</i>,	:	08-13555 (JMP)
	:	
Debtors.	:	(Jointly Administered)
	:	
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**STIPULATION, AGREEMENT AND
ORDER AMONG BNC MORTGAGE LLC,
LEX SPECIAL ASSETS LLC, AND U.S. BANK NATIONAL
ASSOCIATION, AS TRUSTEE, PROVIDING FOR RELIEF FROM
THE AUTOMATIC STAY WITH REGARD TO CERTAIN REAL PROPERTY**

TO THE HONORABLE JAMES M. PECK
UNITED STATES BANKRUPTCY JUDGE:

This Stipulation, Agreement and Order (the “Stipulation, Agreement and Order”)
is entered into by and among BNC Mortgage LLC (“BNC”) and its affiliated debtors in the
above referenced chapter 11 cases, as debtors and debtors in possession (together, the
“Debtors”), Lex Special Assets LLC (“Lex”), and U.S. Bank National Association, as Trustee
(“U.S. Bank,” and together with Lex, “Movants”) for the securitization trusts set forth on Exhibit
A as the “Current Owner” (the “Trusts”).

RECITALS

A. On September 15, 2008 and periodically thereafter, Lehman Brothers Holdings Inc. (“LBHI”) and certain of its subsidiaries commenced with this Court voluntary cases under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”).

B. On January 9, 2009, BNC, an indirect subsidiary of LBHI, commenced with this Court a voluntary case under chapter 11 of the Bankruptcy Code.

C. Movants assert, upon information and belief, that they are the current holders of certain first mortgages (the “First Mortgages”), originally executed in favor of BNC Mortgage, Inc.¹ Each First Mortgage secures the repayment of the principal sums due under certain notes as set forth on Exhibit A. The First Mortgages granted Mortgage Electronic Registration Systems, Inc. (“MERS”), as nominee for BNC Mortgage Inc., a security interest in the respective properties set forth on Exhibit A (the “Properties”). BNC subsequently transferred, and no longer retains any interest in, the First Mortgages.

D. Movants assert, upon information and belief, that there are subordinate mortgages on the Properties (the “Second Mortgages”) held by MERS, as nominee for BNC Mortgage, Inc., in the amounts set forth on Exhibit A.

E. Movants have brought or intend to bring foreclosure proceedings against the Properties in the state courts set forth on Exhibit A (the “Foreclosure Proceedings”). The Foreclosure Proceedings have been stayed by BNC’s chapter 11 case.

¹ BNC Mortgage, Inc. and BNC Mortgage LLC are the same entity. BNC was originally organized under the laws of Delaware as a corporation under the name “BNC Mortgage, Inc.” On or about January 13, 1998, BNC changed its corporate form from a corporation to a limited liability company under the name “BNC Mortgage LLC.” BNC is still referred to as “BNC Mortgage Inc.” in those states in which it is registered to conduct business under its former name.

F. The Debtors have reviewed BNC's records and determined that BNC previously transferred or otherwise disposed of its interests in the Second Mortgages as set forth in Exhibit B.² As a result of these transfers, BNC does not currently hold an interest in any of the First Mortgages or the Second Mortgages. Due to BNC's usage of MERS as its nominee, however, BNC's interest in the Second Mortgages remains on the local property records, creating an impediment to Movants' acquisition of insurable title to the Properties.

G. Accordingly, and out of an abundance of caution, Movants seek entry of an order partially modifying the automatic stay extant in BNC's chapter 11 case pursuant to section 362 of the Bankruptcy Code in order to allow Movants to exercise their non-bankruptcy rights and remedies as to the Properties including, but not limited to, foreclosure.

H. In light of the foregoing, and to ensure that Movants are not prohibited from exercising their rights with respect to the Properties, BNC and Movants (each a "Party" and together, the "Parties") have agreed, subject to approval of this Court, to resolve the issue on the terms set forth below.

IT IS HEREBY STIPULATED, AGREED, AND ORDERED by and between BNC and Movants, through their undersigned attorneys, that:

1. This Stipulation, Agreement and Order shall have no force or effect unless and until approved by the Court (the "Effective Date").
2. Upon the Effective Date, to the extent that the automatic stay is applicable, it shall be modified with respect to the interests of Movants, their successors, and/or their assigns, in the Properties, and Movants, their successors, and/or their assigns, shall be permitted to exercise their rights under applicable non-bankruptcy law against the Properties.

² As set forth on Exhibit B, BNC has no record of two of the Second Mortgages.

3. Except as provided in paragraph 2, the provisions of section 362(a) of the Bankruptcy Code, including, without limitation, those provisions prohibiting any act to collect, assess, or recover a claim that arose prior to the Commencement Date from BNC's estate and/or assets or property of BNC (as defined in section 541 of the Bankruptcy Code) shall remain in full force and effect.

4. This Stipulation, Agreement and Order may only be amended or otherwise modified by a signed writing executed by the Parties.

5. Each person who executes this Stipulation, Agreement and Order by or on behalf of a Party represents and warrants that he or she has been duly authorized and empowered to execute and deliver this Stipulation, Agreement and Order on behalf of such Party.

6. This Stipulation, Agreement and Order may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument, and it shall constitute sufficient proof of this Stipulation, Agreement and Order to present any copy, copies, electronic copies, or facsimiles signed by the Parties.

7. This Court shall retain jurisdiction to resolve any disputes or controversies arising from this Stipulation, Agreement and Order.

Dated: May 27, 2011
Plainview, New York

/s/ Lisa Milas
Lisa Milas

Rosicki, Rosicki & Associates, P.C.
51 E. Bethpage Road
Plainview, NY 11803
Telephone: (516) 741-2585

Attorneys for Lex Special Assets LLC and U.S.
Bank National Association, as Trustee,

Dated: May 27, 2011
New York, New York

/s/ Jacqueline Marcus
Jacqueline Marcus

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Attorneys for Debtors
and Debtors in Possession

SO ORDERED:

Dated: New York, New York
June 20, 2011

s/ James M. Peck
Honorable James M. Peck
United States Bankruptcy Judge

Exhibit A
(Information on the Properties)

Property	Current Owner of First Mortgage	Original Principal Balance of First Mortgage	Record Owner of Second Mortgage	Original Principal Balance of Second Mortgage	Approximate Date of Commencement of Foreclosure Action	Court in Which Foreclosure Proceeding was Commenced
621 East 237th Street, Bronx, NY 10466	U.S. Bank National Association, Trustee for Lehman Brothers Structured Asset Investment Loan Trust SAIL 2005-5	\$454,400.00	Mortgage Electronic Registration Systems, Inc. as Nominee for BNC Mortgage, Inc.	\$113,600.00	February 2, 2007	Supreme Court of the State of New York, County of Bronx
23 Chapel Hill Drive, Brentwood, NY 11717	U.S. Bank National Association, Trustee for Lehman Brothers- Structured Asset Investment Loan Trust SAIL 2006-1	\$324,000.00	Mortgage Electronic Registration Systems, Inc. as Nominee for BNC Mortgage, Inc.	\$81,000.00	April 21, 2008	Supreme Court of the State of New York, County of Suffolk
73-75 Evans Ave., Hempstead, NY 11550	U.S. Bank National Association, Trustee for Lehman Brothers- Structured Asset Investment Loan Trust SAIL 2006-1	\$296,800.00	Mortgage Electronic Registration Systems, Inc. as Nominee for BNC Mortgage, Inc.	\$74,200.00	May 6, 2008	Supreme Court of the State of New York, County of Nassau
55 Crescent St., Brooklyn, NY 11208	U.S. Bank National Association, Trustee for "Lehman Brothers Securitization Name- Structured Asset Investment Loan Trust"	\$392,000.00	Mortgage Electronic Registration Systems, Inc. as Nominee for BNC Mortgage, Inc.	\$98,000.00	January 15, 2008	Supreme Court of the State of New York, County of Kings
119-69 Merril Street, Jamaica, NY 11434	U.S. Bank National Association, Trustee for Lehman Brothers- Structured Asset Investment Loan Trust SAIL 2006-1	\$332,000.00	Mortgage Electronic Registration Systems, Inc. as Nominee for BNC Mortgage, Inc.	\$83,000.00	February 4, 2008	Supreme Court of the State of New York, County of Queens
3102 Lewmay Road, Far Rockaway, NY 11691	US Bank National Association, Trustee for Lehman Brothers Securitization Name- Structured Asset Investment Loan Trust	\$379,920.00	Mortgage Electronic Registration Systems, Inc. as Nominee for BNC Mortgage, Inc.	\$94,980.00	January 14, 2008	Supreme Court of the State of New York, County of Queens

Property	Current Owner of First Mortgage	Original Principal Balance of First Mortgage	Record Owner of Second Mortgage	Original Principal Balance of Second Mortgage	Approximate Date of Commencement of Foreclosure Action	Court in Which Foreclosure Proceeding was Commenced
96 Greenwood Drive, North Babylon, NY 11703	U.S. Bank National Association, Trustee	\$330,720.00	Mortgage Electronic Registration Systems, Inc. as Nominee for BNC Mortgage, Inc.	\$82,600.00	January 25, 2008	Supreme Court of the State of New York, County of Suffolk
147-64 Weller Road, Rosedale, NY 11422	Lex Special Assets LLC ³	\$483,360.00	Mortgage Electronic Registration Systems, Inc. as Nominee for BNC Mortgage, Inc.	\$120,840.00	January 24, 2007	Supreme Court of the State of New York, Country of Queens
4114 Dereimer Avenue, Bronx, NY 10466	U.S. Bank National Association, Trustee for Lehman Brothers-Structured Asset Investment Loan Trust SAIL 2006-1	\$384,000.00	Mortgage Electronic Registration Systems, Inc. as Nominee for BNC Mortgage, Inc.	\$96,000.00	June 14, 2007	Supreme Court of the State of New York, County of Bronx
75-6101 Kaanee Place, Kailua-Kona, HI 96740	U.S. Bank National Association, trustee for "Lehman Brothers Securitization Name-Structured Asset Investment	\$432,000.00	Mortgage Electronic Registration Systems, Inc. as Nominee for BNC Mortgage, Inc.	\$108,000.00	August 28, 2009	In the Circuit Court of the Third Circuit, State of Hawaii
25 W. Makahehi Place, Kahului, HI 96732	U.S. Bank National Association, as Trustee for Structured Asset Investment Loan Trust Mortgage Pass-Through Certificates, Series 2005-5	\$379,184.00	Mortgage Electronic Registration Systems, Inc. as Nominee for BNC Mortgage, Inc.	\$94,796.00	Foreclosure has not commenced.	

³ Lex Special Assets LLC is a non-debtor subsidiary of LBHI that was created to hold real estate loans.

Exhibit B
(Assignment of Second Mortgages)

Property	Assignment from BNC to Lehman Brothers Bank, FSB	Assignment from Lehman Brothers Bank, FSB to Lehman Brothers Holdings Inc.	Assignment from Lehman Brothers Holdings Inc. to Structured Asset Securities Corporation	Assignment from Structured Asset Securities Corporation to the relevant Securitization Trust
621 East 237th Street, Bronx, NY 10466	4/22/05	4/29/05	5/27/05	5/27/05
23 Chapel Hill Drive, Brentwood, NY 11717	12/22/05	1/30/06	1/30/06	1/30/06
73-75 Evans Ave., Hempstead, NY 11550	12/22/05	2/28/06	2/28/06	2/28/06
55 Crescent St., Brooklyn, NY 11208	8/22/05	9/30/05	9/30/05	9/30/05
119-69 Merrill Street, Jamaica, NY 11434	12/22/05	2/28/06	2/28/06	2/28/06
3102 Lewmay Road, Far Rockaway, NY 11691	BNC has no record of this second mortgage.			
96 Greenwood Drive, North Babylon, NY 11703	9/22/05	10/28/05	10/28/05	10/28/05
147-64 Weller Road, Rosedale, NY 11422	10/21/05	11/30/05	11/30/05	11/30/05
4114 Dereimer Avenue, Bronx, NY 10466	12/22/05	1/30/06	1/30/06	1/30/06
75-610 Kaanee Place, Kailua-Kona, HI 96740	BNC has no record of this second mortgage.			
25 W. Makahehi Place, Kahului, HI 96732	4/22/05	4/29/05	5/27/05	5/27/05